



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 8, 2001

### **H.R. 169** **Notification and Federal Employee Antidiscrimination and** **Retaliation Act of 2001**

*As ordered reported by the House Committee on the Judiciary on May 23, 2001*

H.R. 169 would require federal agencies to train employees and notify them of their rights and responsibilities in an attempt to reduce incidents of discrimination and retaliation in the federal government. Subject to the availability of appropriated funds, CBO estimates that implementing H.R. 169 would cost up to \$5 million each year. Enacting the bill could slightly increase offsetting receipts (a form of direct spending), so pay-as-you-go procedures would apply. This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Under current law, court-ordered monetary settlements in favor of employees who sue federal agencies in discrimination or reprisal complaints are paid out of the judgment fund of the Treasury. H.R. 169 would require agencies to reimburse the Treasury for any such payments. Payments by most agencies to the Treasury would be intragovernmental transfers and would have no net effect on the federal budget. However, agencies that are not funded through annual appropriations, such as the Bonneville Power Administration and the Tennessee Valley Authority, would reimburse the Treasury by increasing collections from the private sector. This could result in a small net decrease in direct spending, so pay-as-you-go procedures would apply; but CBO estimates that any such decreases in direct spending would be less than \$500,000 a year.

The bill also would require agencies to notify and train employees about their rights and protections under discrimination law and to prepare annual statistical summaries of the discrimination actions and equal employment opportunity (EEO) complaints they face. H.R. 169 would direct the Administration to conduct a study to determine the best ways to discipline employees who engage in discriminatory actions. The bill also would require the Equal Employment Opportunity Commission (EEOC) to post on its Internet web site certain

statistics regarding EEO complaints. Finally, the legislation would direct the General Accounting Office (GAO) to prepare a report on the effects of eliminating the current requirement that federal employees exhaust administrative remedies before filing complaints with the EEOC.

CBO estimates that it would cost the EEOC up to \$500,000 in each fiscal year to collect and post on its Internet web site the statistics relating to EEO complaints. Based on information from GAO, CBO estimates that it would cost that agency about \$300,000 over the 2002-2003 period to prepare the report required by the bill. We estimate that it would cost about \$150,000 in fiscal year 2003 for the Administration, probably led by the Office of Personnel Management (OPM), to complete the study mandated by H.R. 169.

CBO expects that most agencies would meet the bill's requirements to provide notification and training to employees through their Internet web sites and would not incur significant costs to do so. We expect that the cost to prepare annual reports and statistical summaries for discrimination and EEO cases would be minimal because much of this information is already maintained, according to OPM and GAO. CBO estimates that the total costs for the 100 or so federal agencies to comply with the bill's requirements would be no more than about \$5 million annually.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.